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SIPDIS

STATE FOR PM, EUR/PRA AND EUR/SCE

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TAGS: [MASS](#) [MARR](#) [PREL](#) [PGOV](#) [PL](#) [IZ](#) [BU](#)

SUBJECT: BULGARIA PUSHES FOR MILITARY SALES TO IRAQ

REF: (A) USDAO SOFIA 6 811 0045 05

(B) 04 SOFIA 2261 (C) 04 SECTO 005

(D) 04 SECTO 007 (E) 04 WARSAW 5473

(U) CLASSIFIED BY AMBASSADOR JAMES PARDEW, FOR REASONS

1.4 (B) AND (D).

1. (C) SUMMARY: In another sign that Bulgarian political leaders are aggressively looking for concrete benefits from their military participation in Iraq, Deputy Prime Minister and Minister of Economy Lydia Shuleva met with Ambassador and the Iraqi Ambassador to Bulgaria, Hayder Al Barrack, on January 4. Shuleva requested the meeting amid signs of increasing Bulgarian frustration over their inability to win any substantial contracts for Iraq and the recent Iraqi award of a 236 million USD military contract to a Polish defense contractor (ref E). Both Ambassadors presented specific recommendations on methods to improve Bulgaria's contract chances and encouraged the Bulgarians to be more aggressive in Washington and Baghdad in their search for contracts. Deputy Minister of Foreign Affairs Nikolay Milkov and Petur Karaangelov, Director of the state-owned arms trading firm, Kintex, also attended the meeting. END SUMMARY.

2. (C) Ambassador expressed gratitude to Shuleva for Bulgaria's help in Iraq and pledged to continue to work with the GOB to assist it in its attempts to land contracts for Bulgarian defense firms. Ambassador suggested that the GOB military attachQ in Washington should take a more forward-leaning stance in helping Bulgarian companies find appropriate contracts, and that the GOB should use its commercial advocates in Washington, Patton Boggs, to assist. He also suggested that the GOB form a consortium of interested Bulgarian defense companies to bid more effectively on coming contracts and subcontracts. Concerning the Polish deal, Ambassador clarified that this was a contract between the GOP and IIG and not a direct U.S. contract. He emphasized the importance of restoring Bulgarian non-military representation in Baghdad as a means to further its interests there, since presently the GOB has no diplomatic representation in Baghdad. Ambassador said contracts are competitive and Bulgaria must be competitive to win them.

3. (C) Iraqi Ambassador to Bulgaria Hayder Al Barrack said that Polish diplomats in Baghdad had helped win the large contract. Al Barrack added that the GOB must have "direct contact" with Iraqi officials in Baghdad if they want to get their foot in the door. He encouraged the Bulgarians to restore their non-military presence in Baghdad as soon as possible. He told Shuleva that after the January elections the GOB should invite high-level Iraqi officials and ministers to Sofia in order to establish contact with their Iraqi government counterparts.

4. (C) COMMENT: This meeting was one more example of Bulgarian eagerness to land serious contracts for Iraqi, which several high-level Bulgarian officials have expressed to us in recent months. We have encouraged the Bulgarians to take advantage of their commercial competitiveness, especially in the defense sector, while simultaneously cautioning them that Bulgarian firms cannot expect to be handed contracts on a platter.